

NON-MAJOR GOVERNMENTAL FUNDS
Internal Service Funds

WEBB COUNTY EMPLOYEES' HEALTH BENEFITS

An internal service fund used to account for Webb County Employee medical and dental premiums and payments.

WORKER'S COMPENSATION RESERVE FUND

An internal service fund used to account for Webb County's self insurance of workmen's' compensation premiums and payments.

Webb County, Texas
Combining Statement of Net Assets
Internal Service Funds
September 30, 2003

	<u>Employee's</u> <u>Health Benefit</u>	<u>Worker's</u> <u>Compensation</u> <u>Reserve</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,412,235	\$ 3,183,146	\$ 4,595,381
Due from other funds	688,657	-	688,657
Other receivables	280,959	84,847	365,806
Total current assets	<u>2,381,851</u>	<u>3,267,993</u>	<u>5,649,844</u>
Non-current assets:			
Capital Assets:			
Equipment and Furniture	60,128	23,940	84,068
Less Accumulated depreciation	(30,301)	(23,940)	(54,241)
Total non-current assets	<u>29,827</u>	<u>-</u>	<u>29,827</u>
Total assets	<u>2,411,678</u>	<u>3,267,993</u>	<u>5,679,671</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	413,422	31,806	445,228
Salaries payable	-	6,134	6,134
Due to other funds	1,268,703	1,273,780	2,542,483
Other Accrued expenses	6,866	29,869	36,735
Compensated absences	-	22,812	22,812
Total current liabilities	<u>1,688,991</u>	<u>1,364,401</u>	<u>3,053,392</u>
Non-current liabilities:			
Claims and judgments	615,692	586,532	1,202,224
Total non-current liabilities	<u>615,692</u>	<u>586,532</u>	<u>1,202,224</u>
Total liabilities	<u>2,304,683</u>	<u>1,950,933</u>	<u>4,255,616</u>
NET ASSETS			
Invested in capital assets, net of related debt	29,827	-	29,827
Unrestricted	77,167	1,317,059	1,394,226
Total net assets	<u>\$ 106,994</u>	<u>\$ 1,317,059</u>	<u>\$ 1,424,053</u>

Webb County, Texas
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended September 30, 2003

	<u>Employee's Health Benefit</u>	<u>Worker's Compensation Reserve</u>	<u>Total</u>
REVENUES			
Charges for services	\$ 6,137,062	\$ 2,148,331	\$ 8,285,393
Total operating revenues	<u>6,137,062</u>	<u>2,148,331</u>	<u>8,285,393</u>
OPERATING EXPENSES			
Personal services	-	310,885	310,885
Contractual services	-	46,077	46,077
Other supplies and expenses	169	6,851	7,020
Insurance claims and expenses	6,071,281	361,542	6,432,823
Depreciation	11,105	865	11,970
Total operating expenses	<u>6,082,555</u>	<u>726,220</u>	<u>6,808,775</u>
Operating income (loss)	<u>54,507</u>	<u>1,422,111</u>	<u>1,476,618</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest and investment revenue	11,608	33,092	44,700
Total non-operating revenue (expenses)	<u>11,608</u>	<u>33,092</u>	<u>44,700</u>
Income (loss) before contributions and transfers	66,115	1,455,203	1,521,318
Capital contributions	-	-	-
Transfers in	-	-	-
Transfers out	-	(650,000)	(650,000)
Change in net assets	66,115	805,203	871,318
Total net assets - beginning	40,879	511,856	552,735
Total net assets - ending	<u>\$ 106,994</u>	<u>\$ 1,317,059</u>	<u>\$ 1,424,053</u>

Webb County Employees' Health Benefits
Schedule of Revenues and Expenses - Budget and Actual - (Budget Basis)
and Changes in Net Assets
Year Ended September 30, 2003 with Comparative Figures
for Year Ended September 30, 2002

	Budgeted Amounts		Actual	Actual	Variance with	Total
	Original	Final	Amounts	Budget Basis	Final Budget-- Positive (Negative)	Prior Year As Of 9/30/02
OPERATING REVENUES:						
Charges For Services	\$ 5,928,936	5,928,936	5,029,088	5,029,088	(899,848)	4,326,204
Charges For Services-Employees	793,753	793,753	1,107,974	1,107,974	314,221	727,342
Total Operating Revenues	\$ 6,722,689	6,722,689	6,137,062	6,137,062	(585,627)	5,053,545
OPERATING EXPENSES:						
Office Supplies		169	169	169		225
Blue Cross/Blue Shield Ad	877,622	894,863	890,159	890,159	4,704	756,866
Cafeteria Plan Sec 125 Ad	20,000	20,000	14,785	14,785	5,216	12,581
Cobra Administration Fees	5,000	5,000	450	450	4,550	1,950
Basic Life Insurance	60,000	60,500	60,031	60,031	469	56,419
Depreciation			11,105	11,105	(11,105)	6,403
Health Education Program	12,500	12,500	12,266	12,266	234	13,085
Health Fair Month	12,500	12,500	12,282	12,282	218	11,987
Condolences		90	90	90		269
Claims Paid	4,303,983	4,303,983	4,028,800	4,028,800	275,183	2,967,282
Claims Paid-Dental	298,420	412,420	397,709	397,709	14,711	247,755
Claims Paid-Prescriptions	900,000	768,000	654,709	654,709	113,291	599,971
Total Operating Expenses	\$ 6,490,025	6,490,025	6,082,555	6,082,555	407,470	4,675,007
Operating Income (Loss)	232,664	232,664	54,508	54,508	(178,156)	378,538
NON-OPERATING REVENUES						
Interest			11,608	11,608	11,608	19,289
Total Non-Operating Revenues	\$		11,608	11,608	11,608	19,289
OPERATING INCOME BEFORE OPERATING TRANSFERS						
	232,664	232,664	66,115	66,115	(166,549)	397,827
Change in net assets	\$ 232,664	232,664	66,115	66,115	(166,549)	929,349
Add Depreciation on fixed assets acquired through capital projects grants that reduces contributed capital			11,052	11,052		6,285
Income(Loss)	\$ 232,664	232,664	77,167	77,167	(166,549)	935,634
Total net assets - beginning						(935,634)
Total net assets - ending			\$ 77,167			

Webb County, Texas
Webb County Worker's Compensation Reserve Fund
Schedule of Revenues and Expenses - Budget and Actual - (Budget Basis)
and Changes in Net Assets
Year Ended September 30, 2003 with Comparative Figures
for Year Ended September 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Actual</u>	<u>Variance with</u>	<u>Total</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Budget</u>	<u>Final Budget--</u>	<u>Prior Year</u>
				<u>Basis</u>	<u>Positive</u>	<u>As Of 9/30/02</u>
					<u>(Negative)</u>	
OPERATING REVENUES:						
Charges For Services And Refunds	\$ 1,946,281	1,946,281	2,148,331	2,148,331	202,050	2,005,083
Total Operating Revenues	\$ 1,946,281	1,946,281	2,148,331	2,148,331	202,050	2,005,083
OPERATING EXPENSES:						
Wages And Fringe Benefits	314,989	314,989	310,885	310,885	4,104	253,046
Professional Services	40,000	40,000	22,743	22,743	17,257	28,753
Bonds And Insurance	10,000	10,000	6,851	6,851	3,149	3,109
Worker's Compensation Premium	75,000	75,000	7,166	7,166	67,834	89,699
Professional Service-Drug And Alcohol	35,000	35,000	23,334	23,334	11,666	18,808
Third Party Administration	57,800	57,800	38,078	38,078	19,722	40,000
Depreciation Expense			865	865	(865)	3,461
Claims Paid	572,000	422,000	316,298	316,298	105,702	601,534
Total Operating Expenses	\$ 1,104,789	954,789	726,220	726,220	228,569	1,038,416
Operating Income (Loss)	841,492	991,492	1,422,111	1,422,111	430,619	966,667
NON-OPERATING REVENUES						
Interest	20,000	20,000	33,092	33,092	13,092	25,928
Total Non-Operating Revenues	\$ 20,000	20,000	33,092	33,092	13,092	25,928
OPERATING INCOME BEFORE						
OPERATING TRANSFERS	861,492	1,011,492	1,455,203	1,455,203	443,711	992,595
Operating Transfers Out to:						
General Fund		150,000	150,000	150,000		531,523
Employees' Health Benefits Fund	500,000	500,000	500,000	500,000		0
Change in net assets	\$ 361,492	361,492	805,203	805,203	443,711	461,072
Total net assets - beginning			511,856			50,783
Total net assets - ending			1,317,059			511,856

Webb County, Texas
Internal Service Funds
Combining Statement of Cash Flows
Year Ended September 30, 2003

	Webb County Employees Health Benefits	Webb County Worker's Compensation Reserve Fund	Total 2003
CASH FLOWS FROM OPERATING ACTIVITIES			
Premiums from participants	\$ 6,137,062	\$ 2,063,484	\$ 8,200,546
Payments to employees		(306,024)	(306,024)
Payments to vendors, suppliers, and insurance administrators	(5,513,416)	(103,374)	(5,616,790)
Net cash provided by operating activities	<u>623,646</u>	<u>1,654,086</u>	<u>2,277,732</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Interfund Transfer			
Operating Transfer In			
Purchase of water rights			
Operating Transfer Out		(649,999)	(649,999)
Net cash provided by non capital financing activities		<u>(649,999)</u>	<u>(649,999)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of assets			
Net cash provided by capital financing activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments			
Proceeds from investments			
Investment earnings	11,608	33,092	44,700
Operating Transfer Out			
Net cash provided by investing activities	<u>11,608</u>	<u>33,092</u>	<u>44,700</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	<u>635,254</u>	<u>1,037,179</u>	<u>1,672,433</u>
Cash and pooled investments, beginning of year	776,982	2,145,967	2,922,949
Cash and pooled investments, end of year	<u>\$ 1,412,236</u>	<u>\$ 3,183,146</u>	<u>\$ 4,595,382</u>
Reconciliation of operating income to net cash provided (used) by operations:			
Operating income	\$ 54,507	\$ 1,422,111	\$ 1,476,618
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	11,105	865	11,970
(Increase) Decrease in Due from Other Funds	(157,134)		(157,134)
(Increase) Decrease in Accounts Receivable	(259,269)	(84,847)	(344,116)
Increase (Decrease) in Bank Overdraft	(14,824)		(14,824)
Increase (Decrease) in Accounts Payable	(108,392)	(82,216)	(190,608)
Increase (Decrease) in Accrued Liabilities		64	64
Increase (Decrease) in Due to Other Funds	1,097,653	606,736	1,704,389
Increase (Decrease) in Funds Held In Trust		(55,066)	(55,066)
Increase (Decrease) in Long Term Risk Liability		(158,358)	(158,358)
Increase (Decrease) in Accrued Compensated Absences		4,797	4,797
Total adjustments	<u>569,139</u>	<u>231,975</u>	<u>801,114</u>
Net cash provided by operating activities	<u>\$ 623,646</u>	<u>\$ 1,654,086</u>	<u>\$ 2,277,732</u>

The accompanying notes are an integral part of these financial statements.